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Cover Photograph:
White Knight Stream, Atarau, West Coast.
Courtesy of Stewart Nimmo

Directory

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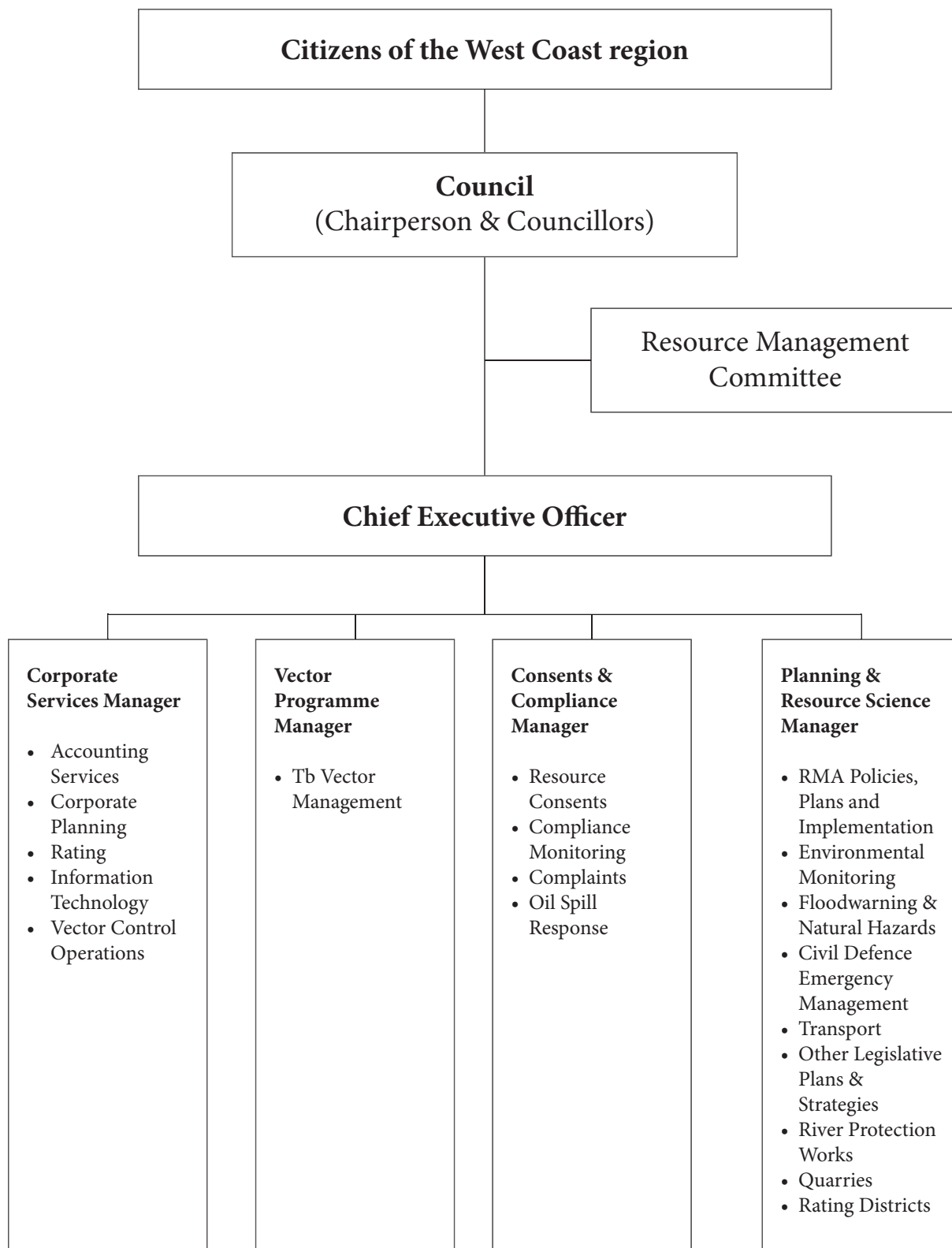
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Council Organisation Structure



Chairperson's Review

The Annual Report is an important link in the accountability cycle between the West Coast Regional Council and its ratepayers and residents. The Annual Plan or Long Term Council Community Plan (LTCCP) identifies what Council intends to do looking forward whereas this Annual Report deals with what has been accomplished.

Some highlights of the year to 30 June 2007 were as follows:

- Implementation of New Zealand International Financial Reporting Standards by Council. The decision in 2002 by the New Zealand Institute of Chartered Accountants that all public sector entities in New Zealand would adopt these standards will have cost this Council at least \$20,000 in direct costs plus staff time with no real benefits to this Council. This Council does not operate internationally or raise funds on the international capital markets.
- Council's diversified Investment portfolio continued to yield excellent returns to Council, with a return of \$1058000 or 10.84% for the year to 30 June 2007, and an annualised return of 10.01% for the last five years.
- Completion of another substantial Tb vector control programme on behalf of the Animal Health Board Inc. Total programme expenditure exceeded \$8 million. The ongoing programme to control and eliminate Bovine Tb is very important to the ongoing future health of the West Coast economy.
- Council delivered an excellent financial result for the year to 30 June 2007, with positive budgetary outcomes in a number of areas, but with the delivery of Annual Plan targets not compromised.

With my pending retirement from council, I wish to close my final Chair's Review by expressing my gratitude to the very capable and dedicated staff team that have supported myself and the council, over the last twelve years, to achieve this most satisfactory result.

John Clayton
Chairperson

Photograph of Councillors



Back Row: Duncan Davidson (Westland), Bryan Chinn (Westland) and John Clayton (Buller).
Front Row: Peter Ewen (Grey), Ross Scarlett (Buller) and Denis Shannahan (Grey).

Community Outcomes

In 2005 the West Coast Regional Council consulted with the West Coast community to identify what the community thought were important outcomes for the West Coast. As a result of this consultation and in liaison with the three District Councils, the following Regional Community outcomes were identified in Council's Long Term Community Plan (LTCCP).

1. **Economy:** A thriving, resilient and innovative economy creating opportunities for growth and employment.
2. **Environment:** The distinctive character of the environment is appreciated and retained.
3. **Health:** Healthy communities with access to quality facilities and services.
4. **Education:** A region that values and supports learning with accessible, relevant education and training opportunities.
5. **Identity:** A "happening" region with a strong community spirit and distinctive lifestyle.
6. **Safety:** A region that is safe place to live.

The Council activities set out in this Annual report relate to the achievement of the above outcomes as follows:

Governance	1, 2, 3, 4, 5, 6
Consents and Compliance	1, 2, 3, 4, 5, 6
Planning Processes	
Regional Plans	1, 2, 3
Transport	1, 3, 4, 5, 6
Public Enquiries	1, 2, 3
Waste Management	2
Environmental Monitoring	2, 6
Emergency Management	2, 4
River, Drainage & Coastal Protection Works	
Rating Districts	1, 2, 6
Quarries	1
Technical Services	2, 6
Vector Management	1, 2
Vector Control Services Business Unit	1, 2

Report on Activities Undertaken to Provide Opportunities for Maori to Contribute to Decision Making Processes

(Local Government Act 2002, Schedule 10, Clause 21)

Council has continued to invite representation on its Resource Management Committee from representatives of both local Runanga, Te Runaka o Ngati Waewae and Te Runanga o Makaawhio.

Statement of Compliance and Responsibility

Compliance

The Council and management of The West Coast Regional Council confirm that all the statutory requirements of the Local Government Act 2002 have been complied with.

Responsibility

1. The Council and management of The West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of The West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of The West Coast Regional Council, the annual financial statements for the year ended 30 June 2007 fairly reflects the financial position and operations of The West Coast Regional Council.



J.H. Clayton
Chairperson



C. Ingle
Chief Executive Officer



R.J. Mallinson
Corporate Services Manager

Dated: 9th Day of October, 2007.

Report by Audit New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

AUDIT REPORT

TO THE READERS OF THE WEST COAST REGIONAL COUNCIL'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

The Auditor-General is the auditor of the West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the Regional Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Regional Council for the year ended 30 June 2007, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the Regional Council on pages 11 to 72:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the Regional Council's financial position as at 30 June 2007; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the Regional Council on pages 43 to 72 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 9 October 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Regional Council as at 30 June 2007. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the Regional Council.



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Accounting Policies

Statement of accounting policies for the year ended 30 June 2007

Reporting Entity

The West Coast Regional Council (WCRC) is a regional local authority governed by the Local Government Act 2002.

The primary objective of WCRC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, WCRC has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of WCRC are for the year ended 30 June 2007. The financial statements were authorised for issue by Council on 9 October 2007.

Basis of preparation

The financial statements of WCRC have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2006 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/(deficit) for the year ended 30 June 2006 under NZ IFRS to the balances reported in the 30 June 2006 financial statements are detailed in pages 17 – 21.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2005 for the purposes of the transition to NZ IFRS.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars. The functional currency of WCRC is New Zealand dollars.

Standards and interpretation issued and not yet adopted

There are no standards, interpretations, and amendments that have been issued, but are not yet effective, that WCRC has not yet applied apart from NZ IFRS 7.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Other revenue

WCRC receives government grants from Land Transport New Zealand, which subsidises part of WCRC's costs in carrying out its land transport responsibilities. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, WCRC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that WCRC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories held for consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

The write down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

Financial assets

WCRC has two classifications for its financial assets:

- Financial assets at fair value through profit or loss.
- Loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager Forsyth Barr Ltd obtains independent verified market prices from third parties such as trading banks, broking houses and originating companies for all assets/securities. Managed funds are

valued at the value date price used as the exit price at month end and can be deemed to be fair value. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WCRC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The two categories of financial assets that apply to WCRC are:

(1) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance.

Financial assets in this category include derivatives and Council's investment portfolio.

WCRC has foreign exchange contracts which are used to manage currency risk for those Investments denominated in foreign currencies.

WCRC does not hold or issue derivative financial instruments for trading purposes and does not adopt the provisions of hedge accounting.

(2) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

Impairment of financial assets

At each balance sheet date WCRC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets - These include land, buildings, plant and equipment, and motor vehicles.

Infrastructure assets - Infrastructure assets are the river, drainage and coastal protection systems owned by WCRC. They include rock protection work and stopbanks.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and river protection systems, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Due to the nature of the river systems and the structural composition of river protection works, no decline in service potential occurs.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Estimated life	Rate
Buildings (non component items)	50 – 67 years	1.5% - 2%
Portable buildings	10 years	10%
Building components	6.7 – 20 years	5% - 15%
Plant and Equipment	4 - 6.7 years	15% - 25%
Truck	6.7 years	15%
Motor Vehicle	5 years	20%

Some assets purchased prior to 1 July 2002 are depreciated using the diminishing value method. The value of those assets is less than 5% of the net carrying amount of Council's assets.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational land:

Is revalued on a cyclical 3-year basis at fair value as determined from market-based evidence by an independent valuer. Valuations are as at 1 September 2006.

Infrastructural asset classes: River, Drainage and Coastal Protection Assets.

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was carried out by a staff engineer Mr W Moen (NZCE) and was peer reviewed by Mr R E Reid (BE). The valuation date was as at 31 December 2006.

Accounting for revaluations:

WCRC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
 Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance.
 The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

	Estimated life	Rate
Computer Software	3.3 years	30%

Impairment of non-financial assets

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.
 Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it’s remaining future economic benefits or service potential.
 The value in use for cash-generating assets is the present value of expected future cash flows.
 If an asset’s carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.
 For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.
 The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.
 For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

Employee benefits

Short-term benefits

Employee benefits that WCRC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.
 These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Long service leave

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information;

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

Provisions

WCRC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in WCRC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WCRC.

Restricted reserves are those subject to specific conditions accepted as binding by WCRC and which may not be revised by WCRC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

WCRC's objectives, policies and processes for managing capital are described in note 26.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WCRC for the preparation of the financial statements.

Cost allocation

WCRC has derived the cost of service for each significant activity of WCRC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements WCRC has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Quarry aftercare provision

Note 25 discloses an analysis of the exposure of WCRC in relation to the estimates and uncertainties surrounding the future Quarry restoration liability.

Explanation of transition to NZ IFRS

Transition to NZ IFRS

WCRC financial statements for the year ended 30 June 2007 are the first financial statements that comply with NZ IFRS. WCRC has applied NZ IFRS 1 in preparing these financial statements.

WCRC transition date is July 2005. WCRC prepared its opening NZ IFRS balance sheet at that date. The reporting date of these financial statements is 30 June 2007. WCRC NZ IFRS adoption date is 1 July 2006.

In preparing these financial statements in accordance with NZ IFRS 1, WCRC has applied the mandatory exceptions and certain optional exemptions from full retrospective application of NZ IFRS

Exemptions from full retrospective application elected by WCRC

WCRC has elected to apply the following optional exemptions from full retrospective application:

- a. Fair Value as deemed cost exemption with regard to Land owned by WCRC.

WCRC is required to make the following mandatory exception from retrospective application:

- a. Estimates exception.
Estimates under NZ IFRS at 1 July 2005 are consistent with estimates made for the same date under previous NZ GAAP.

Reconciliation of Equity

The following table shows the changes in equity resulting from the transition from the previous NZ GAAP to NZ IFRS as at 1 July 2005 and 30 June 2006.

	Effect of			Effect of		
	Previous NZ GAAP 1 July 2005	Transition to NZ IFRS 1 July 2005	NZ IFRS 1 July 2005	Previous NZ GAAP 30 June 2006	Transition to NZ IFRS 30 June 2006	NZ IFRS 30 June 2006
Assets						
Current Assets						
Cash & Cash equivalents	567		567	115182		115182
Receivables	2803076		2803076	2835131		2835131
Inventories	275660		275660	58442		58442
Other Financial Assets	0	2375923	2375923		2694755	2694755
Derivative Financial Assets	0		0			0
Total Current Assets	3079303		5455226	3008755		5703510
Non-Current Assets						
Receivables	0		0	0		0
Property, Plant & Equipment	26570761	370005	26940766	26967744	398324	27366068
Intangible Assets	0	69972	69972		47600	47600
Other Financial Assets	9864018	-2359303	7504715	10947136	-2615536	8331600
Cash Bond	1610000	-1610000	0	892000	-892000	0
Derivative Financial Assets	0		0	0		0
Total Non-Current Assets	38044779		34515453	38806880		35745268
Total Assets	41124082		39970679	41815635		41448778
Liabilities						
Current Liabilities						
Borrowings	-402848	-34852	-437700	-785452	-23646	-809098
Payables	-1260577		-1260577	-1802023		-1802023
Employee Benefit Liabilities	-245931		-245931	-235788		-235788
Derivative Financial Liabilities	0	-16620	-16620	0	-79219	-79219
	-1909356		-1960828	-2823263		-2926128
Non-Current Liabilities						
Employee Benefit Liabilities	0	-5267	-5267	0	-6010	-6010
Borrowings	-196815	-10545	-207360	-433698	-15866	-449564
Derivative Financial Liabilities	0		0	0		0
Future Quarry Restoration		-85800	-85800	0	-85800	-85800
Other Financial Liabilities	-1610000	1610000	0	-892000	892000	0
	-1806815		-298427	-1325698		-541374
Total Liabilities	-41124082		-2259255	-41815635		-3467502
Equity						
Ratepayers Equity	-18782924	-303513	-19086437	-19538023	-314602	-19852625
Rating Districts	-1853973		-1853973	-2004158		-2004158
Revaluation Reserve	-6872570		-6872570	-6872570		-6872570
Tb Special Rate	-68444		-68444	-384291		-384291
Quarry Account	0		0	41368		41368
Investment Growth Reserve	-9830000		-9830000	-8909000		-8909000
	-37407911		-37711424	-37666674		-37981276
Total Liabilities and Equity	-41124082	0	-39970679	-41815635	0	-41448778

Explanatory Notes – Reconciliation of equity

Cash and cash equivalents

Those term deposits with maturities greater than 3 months have been reclassified as other investments.

Financial derivatives

Financial derivatives were not recognised in the statement of financial position under previous NZ GAAP. NZ IFRS requires financial derivatives to be recognised in the statement of financial position at their fair value.

Cash bond

The cash bond and related other financial liabilities are no longer recognised as an asset and liability of WCRC.

Intangible assets

Computer software was classified as part of property, plant and equipment under previous NZ GAAP. The net carrying amount of computer software reclassified as an intangible asset on transition to NZ IFRS (1 July 2005) was \$69972 and as at 30 June 2006 was \$47600.

Sick Leave

Sick leave was not recognised as a liability under previous NZ GAAP. NZ IAS 19 requires WCRC to recognise employee unused sick leave entitlements that can be carried forward at balance date, to the extent that WCRC anticipates that it will be used by staff to cover future absences.

Deemed Cost

WCRC has applied the deemed cost exemption that is available under NZ IFRS 1, for all land owned by WCRC. The aggregate amount of fair value land brought into Council's balance sheet as at 1 July 2005 at deemed cost was \$618000. The adjustment to the previous carrying amount was \$557069.

Reconciliation of Surplus for the Year Ended 30 June 2006

The following table shows the changes in the surplus resulting from the transition from the previous NZ GAAP to NZ IFRS for the year ended 30 June 2006.

Reconciliation of Surplus

	Previous NZ GAAP 30 June 2006	Effect of transition	
		to NZ IFRS 30 June 2006	NZ IFRS 30 June 2006
Income			
General Rates	1818782		1818782
Penalties	79787		79787
Investment Income	1283527		1283527
Regulatory Consents & Compliance	668726		668726
Planning Processes	295315		295315
Environmental Monitoring	149499		149499
Emergency Management	84697		84697
River, Drainage & Coastal Protection	834673		834673
Vector Management	8447099		8447099
Vector Control Services Business Unit	37750		37750
Total Operating Income	13699855	0	13699855
Expenditure			
Governance	303447		303447
Regulatory Consents & Compliance	1710106		1710106
Planning Processes	859162		859162
Environmental Monitoring	686799		686799
Emergency Management	247382		247382
River, Drainage & Coastal Protection	999418		999418
Vector Management Programme	6943292		6943292
Vector Management Administration	1034984		1034984
Regional Share of Vector Controls	546473		546473
Vector Control Services Business Unit	74685		74685
Other	35344	-11089	24255
Total Operating Expenditure	13441092	-11089	13430003
Operating Surplus / (Deficit) Before tax	258763	11089	269852
Income Tax Expense	0	0	0
Surplus / (Deficit) After Tax	258763	11089	269852

Explanatory Notes – Statement of Cash Flows

With regard to the Statement of Cash Flows following transition to NZ IFRS, for the 2006 year net cash flows from operations increased from \$271041 to \$309617, net cash outflows from investing activities increased from -\$775913 to -\$773921 and net cash flows from financing activities decreased from \$1003047 to \$962479. There was no effect on opening cash or cash equivalent balances.

There were no other material adjustments to the statement of cash flows for the year ended 30 June 2006 on transition to NZ IFRS.

Statement of Financial Performance

Statement of financial performance for the year ended 30 June 2007

2006 Actual	Notes	2007 Actual	2007 Budget
<u>Cost of Services</u>			
\$		\$	\$
303447	Governance	270456	277792
1710106	Regulatory Consents & Compliance	1620108	1488473
859162	Planning Processes	711680	687826
686799	Environmental Monitoring	539197	537664
247382	Emergency Management	193312	130172
999418	River, Drainage & Coastal Protection	1053702	1969503
6943292	Vector Management Programme	8252421	9065635
1034984	Vector Management Administration	984932	934365
546473	Regional Share of Vector Controls	679334	832042
74685	Vector Control services Business Unit	46579	17987
24255	Other	151046	0
13430003	3,4,5,6	14502767	15941459
<u>Less</u>			
<u>Income</u>			
1818782	General Rates	1838586	1835000
79787	Penalties	63164	65000
1283527	Investment and Dividend Income	1058005	910000
668726	Regulatory Consents & Compliance	893526	743250
295315	Planning Processes	237785	148750
149499	Environmental Monitoring	9765	0
84697	Emergency Management	75267	44000
834673	River, Drainage & Coastal Protection	959493	901994
6927964	Vector Management Programme	8268837	9065635
940000	Vector Management Administration	1100000	1100000
579135	Regional Share of Vector Controls	574886	563250
37750	Vector Control Services Business Unit	161489	133000
13699855	1,2	15240803	15509879
269852	Net Surplus / (Deficit) for year	738036	(431580)

(Refer Page 72 for explanation of variances)

The accompanying notes and accounting policies form part of these financial statements.

Statement of Changes in Equity

Statement of changes in equity for the year ended 30 June 2007

Actual 2006	Notes	Actual 2007	Budget 2007
37711424	Balance 1 July	37981276	37732000
0	Property, Plant & Equipment Revaluation Gains taken to equity	15350155	4741000
269852	Surplus / - Deficit for year	738036	-431580
<u>269852</u>	Total recognised income/(-expense) for year	<u>16088191</u>	<u>4309420</u>
<u>37981276</u>	Balance 30 June	<u>54069467</u>	<u>42041420</u>
		17	

The accompanying notes and accounting policies form part of these financial statements.

Statement of Financial Position

Statement of Financial Position as at 30 June 2007

Actual 2006	Assets	Note	Actual 2007	Budget 2007
	Current Assets			
115182	Cash & Cash equivalents	8	144518	100000
2835131	Receivables	9	2056590	2861000
58442	Inventories	10	65145	70000
2694755	Other Financial Assets	11	3245190	0
0	Derivative Financial Assets		46506	0
5703510	Total Current Assets		5557949	3031000
	Non-Current Assets			
27366068	Property, Plant & Equipment	12	42729039	31144000
47600	Intangible Assets	13	30956	31000
8331600	Other Financial Assets	11	8250919	10340000
35745268	Total Non-Current Assets		51010914	41515000
41448778	Total Assets		56568863	44546000
	Liabilities			
	Current Liabilities			
809098	Borrowings	16	145865	0
1802023	Payables	14	1622144	1800000
235788	Employee Benefit Liabilities	15	185486	200000
79219	Derivative Financial Liabilities		0	0
2926128	Total Current Liabilities		1953495	2000000
	Non-Current Liabilities			
6010	Employee Benefit Liabilities	15	7063	0
449564	Borrowings	16	453038	504000
85800	Future Quarry Restoration	25	85800	0
541374	Total Non-Current Liabilities		545901	504000
3467502	Total Liabilities		2499396	2504000
	Equity			
19852625	Ratepayers Equity	17(a)	19931935	20088000
2004158	Rating Districts	17(b)	2300085	1140000
6872570	Revaluation Reserve	17(c)	22222725	11614000
384291	Tb Special Rate	17(f)	470998	0
-41368	Quarry Account	17(e)	-77276	0
8909000	Investment Growth Reserve	17(d)	9221000	9200000
37981276	Total Equity		54069467	42042000
41448778	Total Liabilities and Equity		56568863	44546000

The accompanying notes and accounting policies form part of these financial statements.

Statement of Cash Flow

Statement of Cash Flows for the Year to 30 June 2007

2006 Actual	Notes	2007 Actual	2007 Budget
\$	<u>Cashflow from Operating Activities</u>	\$	\$
	Cash was provided from:		
2958294	Rates	2988325	2917000
9472287	Other Income	11847131	12325000
130470	Dividends	181629	
236014	Other Investment Income	963185	910000
12797065		15980270	16152000
	Cash was Disbursed to:		
12316800	Payments to Suppliers & Employees	14308198	16298000
44027	Interest Paid	61150	39000
126621	Net GST Movement	-65354	
12487448		14303994	16337000
309617	NET CASH FLOW FROM OPERATIONS	1676276	-185000
	<u>Cashflow from Investing Activities</u>		
	Cash was provided from:		
200000	Redemption of Investments	462045	860000
10256	Sale of Fixed Assets	90	0
210256		462135	860000
	Cash was Disbursed to:		
618102	Purchase of Fixed assets	125529	140000
366075	Investments Purchased	1144333	450000
984177		1269862	590000
-773921	NET CASH FLOW FROM INVESTING	-807727	270000
	<u>Cashflow from Financing Activities</u>		
	Cash was provided from:		
1090000	Loan Raised	0	40000
1090000		0	40000
	Cash was Disbursed To:		
127521	Loan Principal Repaid	839213	94000
127521		839213	94000
962479	NET CASH FLOW FROM FINANCING	-839213	-54000
498175	TOTAL INCREASE IN CASH HELD	29336	31000
-382993	OPENING BALANCE OF CASH RESOURCES	115182	46000
115182	CLOSING BALANCE OF CASH RESOURCES	144518	77000

The accompanying notes and accounting policies form part of these financial statements.

Notes to the Financial Statements

1	Actual 2006	Rates Revenue	Actual 2007
	1818782	General Rates	1838586
		Targeted Rates attributable to activities	
	485650	River, Drainage & Coastal Erosion	485994
	579135	Tb Pest Management	574886
	25283	Regional Emergency Management	25336
	11588	Varroa Bee Mite Strategy	11525
	<u>2920438</u>	Total Rates Revenue	<u>2936327</u>
	0	Rates Remissions	0
	<u>2920438</u>	Rates Revenue net of remissions	<u>2936327</u>
2	Actual 2006	Other Revenues	Actual 2007
		Investment Income	
	-185205	Realised Gains/-Losses (Price)	644703
	505230	Unrealised Gains/-	464985
		Losses(Price)	
	474412	Exchange Rate Variations	-752243
	421219	Interest	393206
	130470	Dividends	181629
	-62599	Movement hedge positions	125725
	<u>1283527</u>	Total Investment Income	<u>1058005</u>
	442755	User Charges	683287
	123860	Land Transport NZ Govt Grants	109720
	256323	Ministry for the Environment Grants	120000
	43445	Other Local Authority contributions	0
	7867427	Animal Health Board Programme	9368837
	668009	Regulatory	893526
	80504	Infringements, Fines	63164
	13567	Other	7937
	<u>10779417</u>		<u>12304476</u>
3	Actual 2006	Other -Gains / Losses	Actual 2007
	-1193	Disposal of property, plant, equipment	4070
	<u>-1193</u>	Total	<u>4070</u>

4	Actual 2006	Employee Benefit Expenses	Actual 2007
	2616288	Salaries and wages	2672193
	0	Employer contributions to multi-employer defined benefit plans	0
	-12538	Increase in Annual Leave liability	18568
	743	Increase in Long Service Leave provision	1053
	-4236	Increase in Time in Lieu Liability	685
	2631	Increase in accrued payroll	0
	<u>2602888</u>		<u>2692499</u>
5	2006 Actual	Other Expenses	Actual 2007
		Fees paid to Auditor (Audit NZ)	
	52000	Fees for Financial statement audit	57500
	32514	Fees for LTCCP audit	0
	0	Fees for NZ IFRS transition	10000
	0	Fees for assurance and related services	0
	0	Fees for tax services	0
	0	Fees for other services	0
	0	Impairment of receivables	58821
	0	Impairment of property, plant, equipment	0
	119402	Minimum Lease payments Operating Leases	126316
	10580365	Other Operating expenses	11492411
	<u>10784281</u>		<u>11745048</u>
6	Actual 2006	Finance Costs	Actual 2007
		Interest expense	
	44027	Interest on borrowings	61150
		Fair value gains / (losses) on derivatives	
	0	Interest rate swaps	0
	0	Fair value adjustment to bank borrowing	0
	<u>44027</u>		<u>61150</u>
7	Actual 2006	Tax Expense	Actual 2007
		Components of tax expense	
	0	Current tax expense	0
	0	Adjustments to current tax in prior years	0
	0	Deferred tax expense	0
	<u>0</u>	Income Tax expense	<u>0</u>
		Reconciliation	
	269852	Surplus / (deficit) before tax	738036
	89051	Tax @ 33%	243552
	-89051	Non taxable income	-243552
	0	Prior year adjustment	
	<u>0</u>	Income Tax expense	<u>0</u>

Actual 2006	Deferred tax assets / (liabilities)	Actual 2007
0	Balance 1 July 2005	0
0	Charged to Statement of Financial Performance	0
0	Charged to equity	0
<u>0</u>	Balance 1 July 2006	<u>0</u>
0	Charged to Statement of Financial Performance	0
0	Charged to equity	0
<u>0</u>	Balance 1 July 2007	<u>0</u>

8	Actual 2006	Cash & Cash Equivalents	Actual 2007
	115182	Cash at bank and in hand	144518
	0	Short term deposits maturing 3 months or less from date of acquisition	0
	<u>115182</u>		<u>144518</u>

The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.

9	Actual 2006	Trade and Other Receivables	Actual 2007
	311500	Rates Receivables	247151
	1558045	Other Receivables	925470
	758501	Other Receivables accrued	651199
	35369	Prepayments	50944
	171716	Revenue work in progress	240647
	0	Related parties	0
	<u>2835131</u>		<u>2115411</u>
	0	Less provision for impairment of receivables	-58821
	<u>2835131</u>		<u>2056590</u>
	0	Non current	0
	<u>2835131</u>	Current	<u>2056590</u>
	<u>2835131</u>		<u>2056590</u>

The major concentration of credit risk is with the Animal Health Board Inc. receivables which amounted to \$483,715 @ 30 June 2007 (\$1,393,695 @ 30 June 2006).

These amounts were subsequently paid in the ordinary course of business.

The carrying value of trade and other receivables approximates their fair value.

WCRC does not provide for any impairment of rates receivables as it has recourse under the Local Government (Rating) Act 2002 to recover these debts.

As at 30 June 2007 (and 2006) all overdue receivables, except for rates, have been assessed for impairment and appropriate provisions applied. WCRC holds no collateral as security over receivables that are either past due or impaired.

The impairment provision has been calculated based on a review of specific debtors.

Actual 2006		Actual 2007
Movements in the provision for impairment of receivables are as follows		
0	@ 1 July	0
0	Additional provision made during year.	58821
0	Receivables written off during period.	0
<u>0</u>	@ 30 June	<u>58821</u>

10	Actual 2006	Inventories	Actual 2007
	5090	Poison and pest supplies	26325
	1428	Explosives	371
	31174	Rock in Quarries	21132
	20750	Stationery and Office supplies	17317
	<u>58442</u>		<u>65145</u>

All these inventories are held for consumption in the provision of services and are carried at the lower of cost or current replacement cost.

11	Actual 2006	Other Financial Assets	Actual 2007
		Current	
	2694755	Financial Assets at fair value through profit or loss	3245190
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>2694755</u>		<u>3245190</u>
		Non Current	
	8331600	Financial Assets at fair value through profit or loss	8250919
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>8331600</u>		<u>8250919</u>
	11026355	Total Current and Non Current	11496109

Actual 2006	By Asset Class	Actual 2007
6199020	Fixed Interest	7005654
776079	Australasian Equities	928921
1515765	International Equities	1193332
575844	Property Equities	672386
1959647	Alternative Asset Classes	1695816
<u>11026355</u>	Total	<u>11496109</u>

There was no impairment provision for Other Financial Assets.

These Investments are held by Council in accordance with its Investment policy to create income to be able to be used to fund Council activities and to be able to be reinvested to ensure portfolio growth over time.

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Property, Plant and equipment
Council Operational Assets

2007	Cost/revaln		Accumulated Depreciation/ Impairment	Carrying amount	Current year additions	Current year disposals	Current year impairment	Tsfr Deprn on disposal	Current year depreciation	Revaluation Surplus	Cost/ Revaln	Accumulated Deprn/Impairment	Carrying amount
	1 July 2006	1 July 06											
Land	1098000	0	1098000	0	0	0	0	0	0	100000	1198000	0	1198000
Buildings	1204444	-32689	1171755	2251	0	0	0	-39836	0	0	1206695	-72525	1134170
Plant & equipment	1908929	-1012147	896782	267599	-51628	0	47468	-223426	0	0	2124900	-1188105	936796
Vehicles	77263	-31220	46043	22205	0	0	0	-11821	0	0	99468	-43041	56427
	4288636	-1076056	3212580	292055	-51628	0	47468	-275083	100000	0	4629063	-1303671	3325393
Council Infrastructure Assets													
River, Drainage & Coastal Protection Assets													
Canavans Knob	198165	0	198165	0	0	0	0	0	89336	0	287501	0	287501
Coal Creek	915288	0	915288	0	0	0	0	0	572349	0	1487637	0	1487637
Franz Josef	1682633	0	1682633	0	0	0	0	0	596649	0	2279282	0	2279282
Inchbonnie	1287754	0	1287754	0	0	0	0	0	695168	0	1982922	0	1982922
Kaniere	222814	0	222814	0	0	0	0	0	106707	0	329521	0	329521
Karamea	1505026	0	1505026	0	0	0	0	0	744813	0	2249839	0	2249839
Kongahu Swamp	333158	0	333158	0	0	0	0	0	130246	0	463404	0	463404
Kowhitirangi	1912394	0	1912394	0	0	0	0	0	1085729	0	2998123	0	2998123
Lower Waiho	806663	0	806663	0	0	0	0	0	537994	0	1344657	0	1344657
Matainui Creek	23461	0	23461	0	0	0	0	0	15178	0	38639	0	38639
Nelson Creek	991887	0	991887	0	0	0	0	0	644427	0	1636314	0	1636314
Raft Creek	119345	0	119345	0	0	0	0	0	120752	0	240097	0	240097
Redjacks	223674	0	223674	0	0	0	0	0	141194	0	364868	0	364868
Taramakau Settlement	4231249	0	4231249	0	0	0	0	0	2742601	0	6973850	0	6973850
Vine Creek	801022	0	801022	0	0	0	0	0	556174	0	1357196	0	1357196
Waitangitaoa	812073	0	812073	0	0	0	0	0	617054	0	1429127	0	1429127
Wanganui	7055690	0	7055690	0	0	0	0	0	4479024	0	11534714	0	11534714
Okuru	268406	0	268406	0	0	0	0	0	266653	0	535059	0	535059
Hokitika South Bank	315347	0	315347	0	0	0	0	0	379031	0	694378	0	694378
Punakaiki	447439	0	447439	0	0	0	0	0	729079	0	1176518	0	1176518
	24153488	0	24153488	0	0	0	0	0	15250158	0	39403646	0	39403646
TOTAL	28442124	-1076056	27366068	292055	-51628	0	47468	-275083	15350158	0	44032709	-1303671	42729039

2006	Cost/revaln 1 July 2005	Accumulated Depreciation/ Impairment 1 July 05	Carrying amount 1 July 05	Current year additions	Current year disposals	Current year impairment	Tsfr Depn on disposal	Current year depreciation	Revaluation Surplus	Cost/ Revaln 30 June 06	Accumulated Deprn/Impairment 30 June 06	Carrying amount 30 June 06
Land	1098000	0	1098000	0	0	0	0	0	0	1098000	0	1098000
Buildings	1190574	-14906	1175668	24587	-10717	0	1751	-19534	0	1204444	-32689	1171755
Plant & equipment	1716477	-811640	904837	199922	-7470	0	7373	-207880	0	1908929	-1012147	896782
Vehicles	75720	-19508	56212	1543	0	0	0	-11712	0	77263	-31220	46043
	4080771	-846054	3234717	226052	-18187	0	9124	-239126	0	4288636	-1076056	3212580
Council Infrastructure Assets												
River, Drainage & Coastal Protection Assets												
Canavans Knob	198165	0	198165	0	0	0	0	0	0	198165	0	198165
Coal Creek	915288	0	915288	0	0	0	0	0	0	915288	0	915288
Franz Josef	1682633	0	1682633	0	0	0	0	0	0	1682633	0	1682633
Inchbonnie	1287754	0	1287754	0	0	0	0	0	0	1287754	0	1287754
Kaniera	222814	0	222814	0	0	0	0	0	0	222814	0	222814
Karamea	1505026	0	1505026	0	0	0	0	0	0	1505026	0	1505026
Kongahu Swamp	333158	0	333158	0	0	0	0	0	0	333158	0	333158
Kowhitirangi	1912394	0	1912394	0	0	0	0	0	0	1912394	0	1912394
Lower Waiho	806663	0	806663	0	0	0	0	0	0	806663	0	806663
Matainui Creek	23461	0	23461	0	0	0	0	0	0	23461	0	23461
Nelson Creek	991887	0	991887	0	0	0	0	0	0	991887	0	991887
Raft Creek	119345	0	119345	0	0	0	0	0	0	119345	0	119345
Redjacks	223674	0	223674	0	0	0	0	0	0	223674	0	223674
Taramakau Settlement	4231249	0	4231249	0	0	0	0	0	0	4231249	0	4231249
Vine Creek	801022	0	801022	0	0	0	0	0	0	801022	0	801022
Waitangitaoana	812073	0	812073	0	0	0	0	0	0	812073	0	812073
Wanganui	7055690	0	7055690	0	0	0	0	0	0	7055690	0	7055690
Okuru	268406	0	268406	0	0	0	0	0	0	268406	0	268406
Hokitika South Bank	315347	0	315347	447439	0	0	0	0	0	315347	0	315347
Punakaiki				447439	0	0	0	0	0	447439	0	447439
	23706049	0	23706049	447439	0	0	0	0	0	24153488	0	24153488
Total	27786820	-846054	26940766	673491	-18187	0	9124	-239126	0	28442124	-1076056	27366068

Intangible Assets		Cost 1 July 2006	Accumulated Impairment 1 July 2006	Carrying Amount 1 July 2006	Current year additions	Current year disposals	Current year impairment	Tsfr on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaln 30 June 2007	Accumulated Amortisation/ Impairment 30 June 2007	Carrying amount 30 June 2007
2007	Computer Software	189798	-142198	47600	0	0	0	0	-16644		189798	-158842	30956
	Other	0	0	0	0	0	0	0					
		189798	-142198	47600	0	0	0	0	-16644	0	189798	-158842	30956
Intangible Assets 2006													
	Computer Software	189798	-119826	69972	0	0	0	0	-22372		189798	-142198	47600
	Other	0	0	0	0	0	0	0	0		0	0	0
		189798	-119826	69972	0	0	0	0	-22372	0	189798	-142198	47600

14	Actual 2006	Trade and Other Payables	Actual 2007
	1028805	Trade Payables	913070
	293486	Deposits and bonds	342342
	415167	Accrued Expenses	307369
	64565	Rates in advance	59363
	0	Due to related parties	0
	<u>1802023</u>		<u>1622144</u>

Trade and other payables are non interest bearing and are normally settled on monthly terms, therefore the carrying value of trade and other payables approximates their fair value.

15	Actual 2006	Employee Benefit Liabilities	Actual 2007
	66246	Accrued payroll	0
	152485	Annual Leave	171071
	6010	Long Service Leave	7063
	17057	Time in Lieu	14415
	0	Sick Leave	0
	<u>241798</u>		<u>192549</u>
	235788	Current	185486
	6010	Non Current	7063
	<u>241798</u>		<u>192549</u>

16	Actual 2006	Borrowing	Actual 2007
		Reconciliation	
		Opening Balance 1 July	
	19288	Okuru Works Loan	0
	242212	Lease Liabilities	184052
	0	Punakaiki Seawall Loan	374610
	0	Short Term Bank Loan	700000
	<u>261500</u>		<u>1258662</u>
		Borrowed	
	390000	Punakaiki Seawall Loan	0
	700000	Short Term Bank Loan	0
	34683	Lease Liabilities	179454
	<u>1124683</u>		<u>179454</u>
		Repaid	
	-19288	Okuru Works Loan	0
	-92843	Lease Liabilities	-111152
	-15390	Punakaiki Seawall Loan	-28062
	0	Short Term Bank Loan	-700000
	<u>-127521</u>		<u>-839214</u>
		Closing Balance 30 June	
	184052	Lease Liabilities	252355
	374610	Punakaiki Seawall Loan	346548
	0	Okuru Works Loan	0

700000	Short Term Bank Loan	0
1258662		598903

Actual 2006	Current	Actual 2007
0	Bank overdraft	0
700000	Short Term Bank Loan Interest only	0
28062	Unsecured Term Loans	30330
0	Secured Term Loans	0
81036	Lease Liabilities	115535
809098		145865
	Non Current	
346547	Unsecured Term loans	316218
0	Secured Term Loans	0
103017	Lease Liabilities	136820
449564		453038
1258662	Total Borrowings	598903

Fixed Rate Debt

Short Term Bank Loan

Lease liabilities for whole term of Lease.

Unsecured Term Loans fixed for 5 years from Nov 05

Floating Rate debt

There is no floating rate debt.

Security

All borrowing is on an unsecured basis.

Maturity Analysis and effective interest rates

809098	< 1 Year	145865
8.48%	weighted average interest rate	7.78%
449564	> 1 year	453038
7.56%	weighted average interest rate	8.37%
1258662	Total	598903
449564	Fair Value of non current borrowings	453038

Analysis of Finance Lease Liabilities

Actual 2006	Minimum Lease Payments Due	Actual 2007
91280	Not later than 1 year	134109
109040	Later than 1 year: not later than 5	149341
0	Later than 5 years	0
200320		283450

-16266	Less: Future finance charges	-31095
<u>184054</u>	Present value of minimum Lease payments	<u>252355</u>
2006	Present value of minimum Lease payments Payable	2007
81036	Not later than 1 year	115535
103018	Later than 1 year: not later than 5	136820
0	Later than 5 years	
<u>184054</u>		<u>252355</u>
81036	Current	115535
<u>103018</u>	Non Current	<u>136820</u>
<u>184054</u>		<u>252355</u>

WCRC enters into finance leases for various items of plant and equipment. The net carrying amount of the leased items within each class of property, plant and equipment is included in note 12.

These Finance Leases can be renewed at WCRC's option, with rentals set by reference to current market rates for items of equivalent age and condition.

WCRC does not have an option to purchase these assets at the end of the lease term.

There are no restrictions placed on WCRC by any of the finance lease arrangements.

17	Actual 2006	Equity	Actual 2007
(a)		Ratepayers Equity	
	19086437	Balance 1 July	19852625
	269852	Surplus transferred	738036
	-150186	Net Transfers (to)/from Rating District Equity	-295927
	-315847	Transfers(to)/from Tb Targeted Rate Balance	-86707
	41369	Transfers(to)/from Quarry Account	35908
	<u>921000</u>	Transfers(to)/from Investment Growth Reserve	<u>-312000</u>
	<u>19852625</u>	Balance 30 June	<u>19931935</u>
(b)		Rating District Equity (River, Drainage & Coastal Protection Schemes)	
	1853973	Balance 1 July	2004158
	737649	Revenue	936154
	-918774	Expenditure	-613968
	365000	Loan raised	0
	-33690	Loan Principal repaid	-26259
	<u>2004158</u>	Balance 30 June	<u>2300085</u>
(c)	Actual 2006	Asset Revaluation Reserves	Actual 2007

(i)	6872570 0 0 <hr/> 6872570	Infrastructural Assets Opening Balance Revaluation gains / (losses) 0	6872570 15250155 0 <hr/> 22122725
(ii)	0 0 0 <hr/> 0	Land Opening Balance Revaluation gains / (losses) 0	0 100000 0 <hr/> 100000
	<hr/> 6872570	Total Revaluation Reserve	<hr/> 22222725
(d)	9830000 -921000 <hr/> 8909000	Investment Growth Reserve Balance 1 July Transfer (to) / from Ratepayers Equity Balance 30 June	8909000 312000 <hr/> 9221000
(e)	0 -41368 <hr/> -41368	Quarry Account Balance 1 July Transfer (to) / from Ratepayers Equity Balance 30 June	-41368 -35908 <hr/> -77276
(f)	68444 315847 <hr/> 384291	Tb Pest Management Balance 1 July Transfer (to) / from Ratepayers Equity Balance 30 June	384291 86707 <hr/> 470998

Restricted Reserves

The following reserves are restricted because the targeted rates raised can only be spent for the purposes raised.

Rating District Equity
Reserves
Tb Pest Management

18	Actual 2006	Reconciliation of net surplus / (deficit) to net cash flow from operating activities	Actual 2007
(I)	269,852	Reported Surplus (Deficit) for the year	738,036
(ii)		Add non cash items	
	261,498	Depreciation	291,727
	-474,412	Unrealised Foreign Exchange Gains/Losses	677,518
	-505,230	Unrealised Price Gains	-464,984
	62,599	Unrealised Hedging Gains/Losses	-125,725
	-1,193	Gains/Losses on sale of assets included in Investing Activities	4,070
	743	Movement in employee entitlements (non current)	1,053
	<u>-655,995</u>		<u>383,659</u>
(iii)		<i>Movements in working capital items</i>	
		current assets	
	7,348	accounts receivable & accruals	694,571
	217,218	stock	-6,703
		current liabilities	
	597,815	accounts payable and accruals	-198,641
	<u>-126,621</u>	Net GST movement	<u>65,354</u>
	695,760		554,581
	<u><u>309,617</u></u>	NET CASHFLOWS FROM OPERATING ACTIVITIES	<u><u>1,676,276</u></u>

19	Actual 2006	Capital Commitments and operating leases.	Actual 2007
	0	Capital expenditure contracted for at 30 June but not yet incurred for property, plant an equipment.	19600
	117670	Non-cancellable operating leases as lessee not later than 1 year	111095
	110943	later than 1 year but not later than 5 years	121867
	0	later than 5 years	0
	<u>228613</u>		<u>232962</u>

WCRC leases property, plant and equipment in the normal course of its business. These leases are for motor vehicles and have non-cancellable terms of 36 months. The future aggregate minimum lease payments to be paid by WCRC under these non cancellable operating leases are as above.

Leases can be renewed at WCRC’s option, with rentals set by reference to current market rates for items of equivalent age and condition.

WCRC does not have an option to purchase these assets at the end of the lease term.

There are no restrictions placed on WCRC by any of the lease arrangements.

20	Actual 2006	Contingencies Contingent Liabilities	Actual 2007
	1400000		4400000

There is a claim against WCRC for \$4.4 million under the Resource Management Act 1991 and Crown Minerals Act 1991. The claim is disputed and will be defended by WCRC. The costs of any successful claim against WCRC are expected to be substantially covered under WCRC’s insurance cover.

The \$4.4 million relates to the same matter disclosed at \$1.4 million at 30 June 2006. An amended statement of claim increased the claim from \$1.4 million to \$4.4 million.

Actual 2006	Contingent Assets	Actual 2007
nil		nil

Key Personnel Remuneration

21 Disclosures in accordance with NZ IAS 24 and Local Government ACT 2002, schedule 10, part 18 (1), (a), (b), (c)

ye 30/6/06		Salaries	Superannuation	Vehicle	ye 30/6/07
Councillors					
51445	Chair	54400			54400
26450	Deputy Chair	27200			27200
19863	Councillor	20850			20850
19863	Councillor	20850			20850
19863	Councillor	20850			20850
19863	Councillor	20850			20850
<u>157347</u>		<u>165000</u>			<u>165000</u>
151298	Chief Executive	130997	0	16677	147674
396520	Second Tier Managers	349906	12413	7216	369535
<u>705165</u>		<u>645903</u>	<u>12413</u>	<u>23893</u>	<u>682209</u>

22. **Related Party Transaction**

During the year Council did not enter into any transactions with related parties such as subsidiaries, associates, joint ventures, elected representatives or key management personnel.

(2006 = nil)

23. **Severance Payments**

Two severance payments were made during the year to 30 June 2007 of \$27447 and \$21252 totalling \$48699

(2006 \$137500)

24. **Events After Balance Date of 30 June 2007**

There were no significant events occurring after balance date.

25. **Future Quarry Restoration Liability**

Council has obtained advice regarding the extent of potential future Quarry restoration liabilities and has calculated a liability of \$85800 using a net present value approach to discounting future cash outflows.

26. **Financial Instrument Risks**

WCRC has policies to manage the risks associated with financial instruments. WCRC is risk averse and seeks to minimize exposure from its financial activities. There are Council approved borrowing and Investment policies.

Market Risk

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. WCRC is exposed to equity securities price risk on its Investments, which are classified as financial assets held at fair value through profit and loss. This price risk arises due to market movements in listed securities and is managed by diversification of WCRC's investment portfolio in accordance with the limits set out in the Statement of Investment Policies and objectives (SIPO).

Currency Risk

This is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. WCRC holds some Investments in foreign currency holdings and part of these holdings are hedged in accordance with the SIPO.

Interest Rate Risk

Fair value interest rate risk

Interest rates payable on WCRC borrowings are disclosed in note 16.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate in value due to changes in market interest rates.

Borrowing issued at fixed rates exposes WCRC to fair value interest rate risk. All WCRC borrowing is to help finance the construction of river, drainage and coastal protection works. These borrowings are at fixed rates for fixed terms to help provide certainty to the various communities which have to repay this borrowing.

Investments by WCRC at fixed interest rates expose WCRC to fair value interest rate risk.

Cash flow interest rate risk

This is the risk that cash flows from a financial instrument will fluctuate due to changes in market interest rates. The SIPO helps WCRC mitigate this risk.

Credit Risk

This is the risk that a third party will default on its obligations.

WCRC invests funds with its fund manager Forsyth Barr Ltd and the SIPO limits the amount of credit exposure to various institutions.

Liquidity Risk

This is the risk that WCRC will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash and credit facilities.

WCRC manages its borrowings in accordance with its borrowing policy which was adopted as part of its Long Term Council Community Plan (LTCCP).

WCRC has overdraft and short term borrowing facilities with its bankers of up to \$1200000.

The maturity profile of WCRC borrowings are disclosed in note 16.

27. **Capital Management**

WCRC capital is its ratepayers funds which comprise rewtained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (LGA 2002) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

LGA 2002 requires the Council to make adequate provision in its LTCCP and Annual Plans to meet the expenditure needs identified in those plans. The sources and levels of funding of activities are set out in the funding and financial policies in Council's LTCCP.

WCRC has the following Council created reserves.

- Investment Growth Fund.
- Quarry Account.

WCRC has reserves for different areas of benefit where there is a discrete set of ratepayers funding the activities being rated for. Any surplus or deficit relating to these separate areas of benefit are retained within the specific reserves.

WCRC has the following reserves of this nature.

- Rating Districts Equity (River, Drainage and Coastal protection schemes).
- Tb Pest Management.

28. **Cash Bond**

West Coast Regional Council has received an \$892,000 (2006 \$892,000) bond from a mining company. The money is held in a separate bank account and is not controlled by Council. Council can access these funds when, and only to the extent that, Council has to incur expenditure to make good any default of the company's. Therefore no asset or liability in respect of this bond has been recognized in the financial statements.

Governance

Description

Governance covers the costs of operating the democratic function of the Council. Elected Councillors determine policies, and monitor the achievement of these.

Objective

To maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making and accountability to the West Coast region.

Performance Targets	Achievements/Progress																					
<p>Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with 80% attendance by all Councillors.</p>	<table border="1"> <thead> <tr> <th>Councillor</th> <th>No. of Meetings Attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Clayton</td> <td>13 out of 13 meetings</td> <td>100%</td> </tr> <tr> <td>Shannahan</td> <td>13 out of 13 meetings</td> <td>100%</td> </tr> <tr> <td>Davidson</td> <td>13 out of 13 meetings</td> <td>100%</td> </tr> <tr> <td>Ewen</td> <td>12 out of 13 meetings</td> <td>92%</td> </tr> <tr> <td>Scarlett</td> <td>11 out of 13 meetings</td> <td>85%</td> </tr> <tr> <td>Chinn</td> <td>13 out of 13 meetings</td> <td>100%</td> </tr> </tbody> </table> <p>Note: Total of 11 meetings, 1 special meeting + 1 workshop = 13 meetings</p>	Councillor	No. of Meetings Attended	%	Clayton	13 out of 13 meetings	100%	Shannahan	13 out of 13 meetings	100%	Davidson	13 out of 13 meetings	100%	Ewen	12 out of 13 meetings	92%	Scarlett	11 out of 13 meetings	85%	Chinn	13 out of 13 meetings	100%
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Ewen	12 out of 13 meetings	92%																				
Scarlett	11 out of 13 meetings	85%																				
Chinn	13 out of 13 meetings	100%																				
<p>Prepare and notify the Council's Annual Report by 31 October each year in accordance with the procedures outlined in the Local Government Act 2002.</p>	<p>Adopted on 10 October 2006 at Council Meeting.</p>																					
<p>Continue to invite attendance of Makawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.</p>	<p>Achieved.</p>																					

Governance

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Governance		
	<u>Operating Expenditure</u>		
279311	Governance	262970	271754
19638	Community Consultation	3162	3751
4498	Maori Capacity	4324	2287
<u>303447</u>	<u>Total Operating Expenditure</u>	<u>270456</u>	<u>277792</u>
<u>0</u>	<u>Operating Revenue</u>	<u>0</u>	<u>0</u>
	Funding Requirements		
-303447	Operating Surplus / -Deficit to be funded	-270456	-277792
<u>0</u>	Capital Expenditure		<u>0</u>
<u>-303447</u>	<u>Total Funding Required</u>	<u>-270456</u>	<u>-277792</u>
	Funded by		
<u>303447</u>	General Rates and Investment Income	<u>270456</u>	<u>277792</u>
<u>303447</u>	<u>Total Funding</u>	<u>270456</u>	<u>277792</u>

Regulatory, Consents and Compliance

Background

Resource consents are required for activities that are otherwise restricted under the Resource Management Act. The Council processes applications for water, coastal and discharge permits and land use consents, in accordance with the timeframes set out in the Act.

Resource consents and mining licences are monitored to ensure compliance with their conditions and to determine their effects on the environment. This is a duty of Council under section 35 of the Resource Management Act (RMA).

Complaints received in relation to breaches of resource consents, the RMA or Council's regional rules are recorded and responded to according to a priority system

Performance Targets	Achievements/Progress
Process 90% of non-notified resource consent applications within the statutory timeframes.	Achieved. 95.5% of non-notified resource consent applications were processed within statutory timeframes.
Work with consent holders to seek to reduce the need for formal requests for further information under Section 92 of the RMA.	Achieved. 49 section 92 requests were made in relation to the consent applications granted in the reporting period. Many of these were in relation to whitebait stand consent applications which contained little or no information.
Advertise publicly all notified consent applications within 10 working days of receipt of all required information.	89% of publicly notified consents applications (63/71 applications, but ¾ proposals) were notified within this statutory timeframe.
Complete staff reports for all notified applications within the statutory timeframes.	Achieved. Two consent hearings were held during the year and the staff reports for the associated consent applications were completed within the relevant statutory timeframe.
Report publicly through the monthly Resource Management Committee Meetings all consents granted.	Achieved. Each monthly consents report included a list of non-notified, limited notified and notified consent applications granted.
Provide advice on resource consent processes and requirements in a timely and helpful manner.	Achieved. No negative feedback received from consent applicants in this regard.
Send details of all consent applications, which could be of concern to Iwi to the respective Runanga.	Achieved. Details of applications were provided to Iwi on a regular basis. Iwi continued to be emailed a weekly summary of all applications every week.
Notify Te Runanga O Ngai Tahu of all resource consent applications affecting Statutory Acknowledgment Areas.	Achieved.
Continue to participate in the Ministry for the Environment's bi-annual Local Government Monitoring Survey.	Achieved best consent processing efficiency among South Island regional authorities for last year's survey. 2006 / 2007 is not a survey year.

<p>1. Identify new resource consents that require ongoing monitoring for compliance and adverse environmental effects, and monitor those consents in accordance with set monitoring programmes.</p>	<p>Achieved. Each new consent, after being granted, is allocated to a Compliance Officer and assessed as to whether it is going to require ongoing monitoring. The monitoring of such consents is prioritized in terms of their actual and potential environmental effects. Priority is given to those consents that have greater environmental effects.</p>
<p>2. Inspect every consent for the discharge of dairy effluent at least every two years depending on compliance and where problems are identified to work with farmers so that consent compliance is achieved and environmental effects are reduced.</p>	<p>Almost fully achieved. 99% of consents (217 out of 219) had been inspected by the end of the 2006/2007 year.</p> <p>Water quality sampling was undertaken in relation to 98 shed discharges with the following results:</p> <ul style="list-style-type: none"> • 52 – full compliance with water quality limits • 12 – minor non-compliance with water quality limits • 34 – moderate to major non-compliance with water quality limits. <p>The remaining sheds were not discharging at the time of inspection so the overall full compliance with water quality standards for the 217 sheds inspected was 78.8% (171/217) at the time of inspection.</p>
<p>3. Inspect 80% of new consents that involve construction works after completion of those works.</p>	<p>Not achieved. 17 out of the 26 (65%) consents granted in relation to construction works were inspected. However, there was no need to inspect some of the consents as they had not been exercised by the end of the reporting period.</p> <p>Inspections revealed good compliance and no formal enforcement action was taken in relation to the consents inspected.</p>
<p>4. Inspect all consents for whitebait stands at least once annually to check consent compliance and that the environmental effects of the stands are no more than minor.</p>	<p>Not achieved. Inspections were focused on the rivers where most of the issues were, with a total of 333 stands being inspected.</p> <p>Inspections revealed generally good compliance with consent conditions, although some stands were located outside of the area authorised by their consents and the degree of river bed disturbance associated with the construction of a few stands exceeded consent limits.</p>

<p>5. Inspect every consent and/or mining licence for operating mining activities at least once annually, and where problems are identified, undertake follow up (which may include further inspections) to ensure consent compliance is achieved and/or environmental effects are reduced.</p>	<p>Achieved. Every active gold and coal mining consent and/or licence was inspected for which an annual work programme was received during the reporting period, with some 50 work programmes being received.</p> <p>Inspections revealed generally good consent/licence compliance, although formal enforcement action (5 infringement notices and 2 abatement notices) were issued in relation to non-compliances at mining sites.</p>
<p>6. Process 80% of mining work programmes within 20 working days of receipt.</p>	<p>Not achieved. 39 of the 56 (70%) work programmes received during the reporting period were approved within 20 working days. 10 of the remaining 17 work programmes were approved within 30 working days, while the remaining 7 work programmes were for larger mines where more follow up work was required before they could be approved.</p>
<p>7. Report all monitoring inspections through the monthly Resource Management Committee meetings.</p>	<p>Achieved. The inspections are reported in each monthly compliance report broken down into different types of inspections.</p> <p>A total of 1094 inspections were reported to the Committee during the 2006/07 year.</p>
<p>8. Release 80% of bonds within four months of the surrender, forfeiture or expiry of the corresponding mining licences or permits, provided that rehabilitation requirements have been met.</p>	<p>Achieved. All requests for bond releases received during the reporting period were recommended for release where rehabilitation requirements had been met.</p>
<p>9. Review bond levels for large-scale mines and where necessary set new bond levels to better reflect the environmental effects/risks of those mines.</p>	<p>Ongoing. Review of the bond for Oceana Gold's Globe Progress Mine was commenced towards the end of the year.</p>
<p>10. Report mining bond releases and other license administration activities monthly to the Resource Management Committee.</p>	<p>Achieved. A section of mining administration activities is included in each monthly compliance report.</p>
<p>11. Operate a 24-hour complaints service and record all complaints on the Incidents database in accordance with enforcement procedures of the RMA.</p>	<p>The Council continued to operate a 24 hour complaint response service and all complaints were recorded on the incidents database. After hours telephone services are to be improved in coming months.</p>
<p>12. Respond to breaches of the Resource Management Act, regional plan rules or resource consents.</p>	<p>Achieved. Some 206 complaints were received, of which 187 required some form of follow up.</p>
<p>13. Take enforcement action through abatement notices, infringement notices or prosecution as appropriate and in accordance with Council policy.</p>	<p>Achieved. 16 abatement notices and 21 infringement notices were issued. The enforcement policy was reviewed to ensure consistency in applying formal action.</p>

<p>14. Report numbers and categories of complaints received to the Resource Management Committee.</p>	<p>Achieved. The total number categories and brief descriptions of complaints are reported in each monthly compliance report.</p>
<p>15. Assess farm compliance in the Brunner catchment, and allocate priority for any further targeted compliance work that is needed.</p>	<p>Achieved. All 24 dairy sheds were inspected in the catchment and compliance with the RMA was assessed.</p> <p>23 of 24 (96%) of those sheds were complying with their associated discharge consents or the relevant regional rules when inspected.</p>

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Consents & Compliance		
	<u>Operating Expenditure</u>		
445124	Resource Consent Processing	391849	400836
195498	Consents Support	132577	142793
37599	Consents Review	40579	39492
0	Whitebait Consent Processing	110940	85335
31034	Consent Appeals	641	56808
117945	Consent Enquiries	111623	81490
0	Whitebait Stand Compliance	34389	3400
162297	Compliance Monitoring	199132	212252
120810	Compliance Monitoring Support	130004	113067
42520	Compliance Enquiries	29659	42387
79113	Mining Licence Compliance	58898	49581
71766	Mining Licence Support	49934	24351
91300	Dairy Farm Monitoring	137661	46361
183421	Complaints	132918	149930
131679	Enforcement Appeals	59304	40390
<u>1710106</u>	<u>Total Operating Expenditure</u>	<u>1620108</u>	<u>1488473</u>
	 Operating Revenue		
668726	User Charges	893526	743250
0	Subsidies	0	0
0	Targeted Rates	0	0
<u>668726</u>	<u>Total Operating Revenue</u>	<u>893526</u>	<u>743250</u>
	 Funding requirements		
-1041380	Operating Surplus / -Deficit to be funded	-726582	-745223
0	Capital Expenditure	-3790	0
<u>-1041380</u>	<u>Total Funding Required</u>	<u>-730372</u>	<u>-745223</u>
	 Funded by		
1041380	General Rates & Investment Income	726582	745223
0	Depreciation Funds	3790	0
<u>1041380</u>	<u>Total Funding</u>	<u>730372</u>	<u>745223</u>

Planning Processes

Background

The Council has developed a number of regional plans under the Resource Management Act 1991 (RMA) to manage the effects of activities on air, water, land and the coastal marine area in a consistent and integrated manner. The Act requires regional councils to have a Regional Policy Statement and a Regional Coastal Plan. The plans permit activities with no more than minor adverse effects to be carried out without needing resource consent, and also provide policy guidance on assessing activities with greater effects. The purpose of the plans is to practically apply the RMA legislation to sustainably manage the region's resources.

The Council is required under the RMA to review and report on the efficiency and effectiveness of policy statements and plans every five years, as well as full reviews and renotification after 10 years of being operative. The Biosecurity Act provides for regional councils to have a Pest Management Strategy. The Council has adopted a Regional Pest Plant Management Strategy to take a strategic and prioritised approach to managing pest plants in the region.

Council has allocated funds to research to introduce new biological controls for ragwort. Ragwort has been identified as a pest that could negatively impact on the West Coast economy.

Regional plans include non-regulatory methods, for example, education and investigation to help achieve the plans' objectives and policies. These methods are used to promote good practice and changes in behaviour, and to keep the community informed about Council's activities and emerging environmental issues.

The Council makes submissions, comments and responses to other resource management documents where these may affect the West Coast. This is a key role in ensuring that the regional community is represented in other processes.

The West Coast Waste Management Working Group comprises of representatives from the four West Coast councils, who combine resources to deal with regional waste issues in an integrated manner. The Regional Council provides administrative support for the group.

The Land Transport Act 1998 and the Land Transport Management Act 2003 require regional councils to have a regional land transport strategy, which includes how to achieve an integrated, safe, responsive, and sustainable land transport system. Councils also administers the land transport committee, prepares an annual land transport programme and an annual report on implementation of the Strategy.

The Council also maintains a register of passenger services operating in the region in accordance with the Transport Services Licensing Act 1989. Additionally, the Regional Council participates on the regional Road Safety Committee and oversees the Road Safety Co-ordinator with funding sourced from Land Transport New Zealand. Council also administers subsidies for transport for those with limited mobility through the Total Mobility Programme.

Performace Targets	Achievements/Progress
1. Prepare a detailed project plan for efficiently merging the three plans by March 2007, and begin consultation.	Not achieved – required an outcome of the Land & Riverbed and Water Plan process to clarify timelines. We have recently received the consent orders from the Court and can move ahead with this process.
2. Hold hearings for submissions on the proposed Wetlands Variation to the Land and Riverbed Plan by November 2006, subject to the outcome of the High Court's decision on last year's withdrawal of the wetlands parts of the Plan.	Not achieved - Variation was on hold until the mediation process on the Proposed Land and Riverbed Management Plan and the Proposed Water Management Plan was completed. The hearings will now be in late November early December.
3. Resolve appeals on the Water Plan and Land and Riverbed Plan by December 2006.	Not achieved – mediation of the appeals took longer than expected. With the consent orders received in June it only leaves the Wetlands matters outstanding.

<p>4. Make either the Land and Riverbed Plan or the water Plan operative by July 2007.</p>	<p>Not achieved – whilst not formally operative i.e. signed under seal, the Water Plan is effectively operative with only one rule still under appeal and one general appeal seeking further wetland provisions not currently in the plan.</p>																								
<p>5. Notify the merging of the three Regional Plans relating to the Water Management Plan, Land and Riverbed Management Plan, and Discharge to Land Plan by December 2007.</p>	<p>Not achieved - due to mediation processes and wetland appeal processes taking longer than expected, Council resolved that this timeframe be amended in the 2007/08 annual plan to June 2008.</p>																								
<p>6. Review policies and plans within the following timeframes:</p>																									
<table border="1"> <thead> <tr> <th>Document</th> <th>Operative Date</th> <th>5 year report due</th> <th>10 year full review due</th> </tr> </thead> <tbody> <tr> <td>Regional Policy Statement</td> <td>10 March 2000</td> <td>Complete</td> <td>March 2010</td> </tr> <tr> <td>Regional Coastal Plan</td> <td>7 February 2001</td> <td>Complete</td> <td>February 2011</td> </tr> <tr> <td>Discharge to Land Plan</td> <td>12 April 2002</td> <td>April 2007*</td> <td>April 2012</td> </tr> <tr> <td>Air Quality Plan</td> <td>31 July 2002</td> <td>July 2007</td> <td>July 2012</td> </tr> <tr> <td>Pest Plant Management Strategy</td> <td>9 August 2005</td> <td>Full review due August 2010</td> <td>N/A</td> </tr> </tbody> </table>	Document	Operative Date	5 year report due	10 year full review due	Regional Policy Statement	10 March 2000	Complete	March 2010	Regional Coastal Plan	7 February 2001	Complete	February 2011	Discharge to Land Plan	12 April 2002	April 2007*	April 2012	Air Quality Plan	31 July 2002	July 2007	July 2012	Pest Plant Management Strategy	9 August 2005	Full review due August 2010	N/A	<p>*Council resolved not to require a s35 report for the Discharge to Land Plan as it is being reviewed as part of the 3 plan merge.</p>
Document	Operative Date	5 year report due	10 year full review due																						
Regional Policy Statement	10 March 2000	Complete	March 2010																						
Regional Coastal Plan	7 February 2001	Complete	February 2011																						
Discharge to Land Plan	12 April 2002	April 2007*	April 2012																						
Air Quality Plan	31 July 2002	July 2007	July 2012																						
Pest Plant Management Strategy	9 August 2005	Full review due August 2010	N/A																						
<p>7. Prepare RMA Section 35 efficiency and effectiveness reports for the five-year reviews of the Regional Plans according to the timeframes in the above table, and begin preparing for full Regional Policy Statement and plan reviews at least 18 months prior to the full review date.</p>	<p>Achieved - the Air Quality Plan s35 review was completed and tabled at the June Council meeting.</p>																								
<p>8. Participate in the Department of Conservation process for identifying marine protected areas on the West Coast, as required.</p>	<p>Achieved - Cr Shannahan attends meetings. Staff are involved in reviewing the documents produced by the forum.</p>																								
<p>9. Review resource consents to discharge into the coastal marine area by June 2007.</p>	<p>Achieved - completed as part of Coastal Plan Review. Out of nine consents, further investigation is needed for one of them.</p>																								
<p>10. Provide support for farm plan completion and implementation.</p>	<p>Achieved - farm planning projects have been supported with GIS technical expertise and by Resource Science with water quality monitoring.</p>																								

<p>11. Prepare and disseminate information for resource users on rules and requirements, and best practice principles and practices as needed.</p>	<p>Achieved - humping and hollowing draft booklet finalised subject to the appeals on the rule in the Proposed Land and Riverbed Management Plan.</p>
<p>12. Reward good practice with encouragement, including environmental award certificates at least once every three years.</p>	<p>Achieved – last awards presented December 2005.</p>
<p>13. Progress the region-wide resource consent for gravel extraction, the first stage to be completed and operating by December 2006.</p>	<p>Not achieved - concessions and consents have been applied for. DOC have requested further information, WCRC consents staff have formulated draft conditions.</p>
<p>14. Prepare annual operational plans to implement the operative Pest Plant Management Strategy.</p>	<p>Achieved - approved by Council February 2007.</p>
<p>15. Commence aquaculture investigations, if required, by June 2007.</p>	<p>Not yet required. Waiting for outcomes and information from marine protected areas process, before undertaking a feasibility study on West Coast opportunities for aquaculture.</p>
<p>16. Part-fund Landcare Research's Ragwort Bio Control Programme for the West Coast (\$5000), and fund the West Coast share of the South Island Varroa Bee Mite Strategy (\$11,250).</p>	<p>Achieved.</p>
<p>17. Investigate and respond where appropriate to any environmental policies or plans of other authorities or central government that may impact on West Coast interests, within required timeframes, and provide ongoing policy advice to Council as and when needed.</p>	<p>Achieved - responses lodged within timeframes. Key responses made included NZCPS review, a review of rural ranking scheme, and Proposed NES on Water Metering. The Dangerous dams policy was approved to meet requirements under the Building Act.</p>
<p>18. Respond to simple RMA or Plan information requests within 10 working days, and within a reasonable timeframe for more complex requests.</p>	<p>Achieved - responses within required timeframes.</p>
<p>19. Participate in the West Coast Waste Management Working Group, and provide administrative support.</p>	<p>Achieved - all meetings attended by Councillor, Manager and Policy Analyst. Visitor Waste Management Strategy finalised. Waste minimisation work continuing with school visits, kerbside recycling set up in Buller and progress with Westland composting.</p>

Performance Targets Transport Planning	Achievements/Progress
1. Administer the West Coast Regional Land Transport Committee and the Regional Technical Advisory Group.	Achieved - RLTC meeting held 20 March 2007. RTAG meeting held 12 October 2006.
2. Prepare and submit an Annual Programme to Land Transport New Zealand to secure funding support for West Coast projects by March of each year.	Achieved – Regional (R) Funding priorities submitted to LTNZ 10 April. Annual Land Transport Programme submitted 23 February 2007. Improvement Programme submitted 10 April 2007.
3. Seek funding to undertake other transport projects identified in the Strategy as and when appropriate.	Achieved. Wrote to Minister requesting change to R Funding rules.
4. Prepare an annual report on implementation of the Regional Land Transport Strategy by December each year.	Achieved - approved at September Council meeting, forwarded to parties as required in S182 of the Land Transport Act 1988 on 13 September 2006.
5. Oversee the Road Safety Co-ordinator to achieve road safety outcomes as per the Regional Road Safety Plan, and attend all Road Safety Co-ordinating Committee meetings.	Partly achieved - attended road safety meetings (except for 29/05) and met with co-ordinators to discuss funding applications for the 2007 / 2008 year.
6. Issue Total Mobility vouchers to all applicants who meet eligibility criteria.	Achieved - vouchers continue to be issued by District Councils – steady demand.
7. Undertake annual monitoring of the Total Mobility Programme by checking use of vouchers, assessment forms and overall level of utilisation via the three taxi operators.	Achieved - eligibility forms are checked by Transport Planner as entered into regional user database. Few enquiries made. User database currently includes 580.
8. Maintain a current register of passenger services.	Achieved - register is being amended and added to as required.

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Planning Processes		
	<u>Operating Expenditure</u>		
0	Regional Policy Statement	0	4803
199310	Land & Riverbed mgmt Plan	90847	59296
376	Discharge Contaminants to Land	10304	28796
0	Air Quality Plan	1187	12356
43772	Water Mgmt Plan	61586	129345
0	Oil Spill Plan	25	4494
9836	Pest Mgmt Strategy	1156	10810
32243	Responses	34825	33244
10234	Regional Coastal Plan	6338	7753
0	Building Act - Dams	2003	0
99510	Policy & Plan Implem. & Review	125649	63271
24625	Public Enquiries	25487	30634
25487	Biological Controls	11902	21911
3587	Regional Economic Development	0	0
27774	Waste Management	21475	36350
147257	Waste Minimisation Project	112617	
24396	Pest Strategy Implementation	20000	29200
1569	Biodiversity Promotion	13792	3400
68163	Total Mobility	68341	73032
62744	Administration & Programme	24353	42483
78279	Safety Programme	79793	96648
<u>859162</u>	<u>Total Operating Expenditure</u>	<u>711680</u>	<u>687826</u>
	<u>Operating Revenue</u>		
159854	User Charges	-6585	7000
123873	Subsidies	232845	130500
11588	Targeted Rates	11525	11250
<u>295315</u>	<u>Total Operating Revenue</u>	<u>237785</u>	<u>148750</u>
	Funding Requirements		
-563847	Operating Surplus / -Deficit to be funded	-473895	-539076
0	Capital Expenditure	0	0
<u>-563847</u>	<u>Total Funding Required</u>	<u>-473895</u>	<u>-539076</u>
	Funded by		
563847	General Rates & Investment Income	473895	539076
<u>563847</u>	<u>Total Funding</u>	<u>473895</u>	<u>539076</u>

Environmental Monitoring

Background

To meet section 35 RMA requirements for councils to monitor the state of the Region's environment. State of the Environment Monitoring assesses trends in environmental quality and detects emerging issues. Such information is fundamental for assessing the effectiveness of resource management policies and plans. It assists Council to make decisions based on sound knowledge and information on environmental trends and emerging issues.

The focus on monitoring water resources reflects the region's climate, topography and land use, i.e. higher than average rainfall with many waterways flowing down through mainly intensive dairy farming on production land. Hydrology identifies what impacts human activities have on water quantity.

Flood warning services are provided for five of the West Coast's major rivers. This complements Council's Civil Defence and Emergency Management functions.

Water quality monitoring ensures water resources, including lakes, rivers and coastal sites, are of a suitable standard for a particular use or value. Air quality monitoring is required under the new national air quality standards where the national standards are exceeded.

Council's role in administering potentially contaminated sites is limited by section 30 (ca) of the RMA to initial identification and assessment procedures and ongoing maintenance of a database of sites for the region.

Performance Targets Flood Warning Services	Achievements/Progress
1. Respond to data requests within a ten working day period for simple requests, and within one month for more complex requests.	Achieved - requests were completed on time.
2. Maintain up to date rainfall and river level information on Council's website and Info line.	Achieved - maintained up to date with data available from sites.
3. Maintain the Council's flood warning system to a level whereby any individual river flow station is operational for at least 95% of the time.	Achieved. All sites were operational within the 95% level. Some logger modem and radio communications issues arose with the Inangahua site but the service level was met.
4. Ensure essential real time data on river levels is available on the Council website and Info Line (data is updated 12 hourly, and during floods 3 hourly at least).	Achieved. Both systems have worked well, with the occasional loss of web uploader due to server problems, which were fixed promptly. All floodwarning staff were briefed on the use of infoline/web uploader for flood events.
5. Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual.	Achieved.
6. Review the flood-warning manual annually and liaise with groups as required.	Achieved. Review completed March/April 2007 with ongoing liason with work groups, with some minor amendments made to the manual throughout the year in relation to contact procedures.

Performance Targets Hydrology	Achievements/Progress
<ol style="list-style-type: none"> 1. Maintain existing hydrometric sites and complete upgrades as required to ensure efficiency and effectiveness. 2. Maintain a network of manual groundwater level monitoring sites. 3. Maintain the hydrological database and produce technical summary and data analysis reports as required, including advice for plan and consent requirements. 4. Maintain a database of water level, flow and rainfall data to enable hydrological analysis (including flood frequency, flood modelling, and data provision). 5. Carry out low flow monitoring and water resource investigations as appropriate. 	<p>Achieved - Ahaura, Moana logger upgrades completed, all sites operating. Installed an additional flood warning site at Cobden lagoon.</p> <p>Achieved - Quarterly ground water monitoring occurring.</p> <p>Achieved – database is maintained and consents staff have used data. Information also used to review the groundwater level monitoring programme.</p> <p>Achieved.</p> <p>Achieved - no specific low flow investigation but several low flow gaugings were undertaken.</p>
Performance Targets Surface Ground Water Programme	Achievements/Progress
<ol style="list-style-type: none"> 1. Complete four surface water quality-sampling rounds per annum. Complete beach sampling monthly during summer months and report results promptly. 2. Continue open water monitoring of Lake Brunner (including depth profiles). 3. Prepare reports on investigations as required. 4. Complete four ground water quality sampling rounds per annum, reporting on the groundwater quality and quantity in 2009, 2011, and 2014. 5. Develop an ongoing programme for groundwater monitoring in intensive agricultural areas. 	<p>Achieved. Ongoing analysis identifies aberrations for further investigation but no full analysis will take place until a full report is prepared in 2008.</p> <p>Achieved - quarterly monitoring completed for the year.</p> <p>Achieved – the following projects were undertaken: Orowaiti report complete. Reports prepared for Consents, Compliance & Planning sections. Murray Creek investigation. Harris Creek investigation. Vickers Creek investigation. Brunner presentations to community and stakeholders.</p> <p>Achieved - sampling rounds complete. Two new sites at Inchbonnie to be added pending assistance from Institute Geological and Nuclear Science.</p> <p>Partly achieved - Hokitika and Inchbonnie intensive components complete. Awaiting additional regional spot surveys, and write up. Analysis will assist with determining the programme direction.</p>

Performance Targets Contaminated Sites	Achievement/Progress
<p>1. Continue the 'Sites Associated with Hazardous Substances' (SAHS) programme, ensuring District Councils have access to updated information, and assist landowners by securing external funding to investigate or remediate high priority sites, where possible.</p>	<p>Achieved - database functioning and providing information to District Councils (DC's) and public on request. Improvements on web database are underway.</p> <p>Meeting held at start of 2007 with DC's to discuss SAHS use. Awareness posters given to DC's to assist with WCRC notification of new sites.</p>
Performance Targets Air Quality	Achievement/Progress
<p>1. Continue wintertime ambient air quality monitoring in the town most likely to exceed national standards, and provide annual summary reports to Council.</p>	<p>Achieved - monitoring of the Reefton Airshed is now continuous due to the National Environmental Standard and has been done since May 2006. Monthly summary data is provided to Council and is available on Council web site.</p> <p>There were 4 exceedances of the Ministry for the Environment guideline standard of 50ug/m3 in July 2006 and 7 in June 2007.</p>

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Environmental Monitoring		
	<u>Operating Expenditure</u>		
232973	Hydrology	230686	202676
18368	Ground Water Monitoring	30025	32619
190941	Surface Water Quality Monitoring	187997	237040
140837	Contaminated Sites	23064	27554
41717	Air Quality Monitoring	31891	31274
0	Catchment Mgmt Projects	26925	6500
43099	Dairy Insight		0
18864	Information and general	8609	0
<u>686799</u>	Total Operating Expenditure	<u>539197</u>	<u>537664</u>
	Operating Revenue		
149499	User Charges	9765	
	Subsidies		
	Targeted Rates		
<u>149499</u>	Total Operating Revenue	<u>9765</u>	<u>0</u>
	Funding Requirements		
-537300	Operating Surplus / -Deficit to be funded	-529432	-537664
-41724	Capital Expenditure	-28281	-32000
<u>-579024</u>	<u>Total Funding Required</u>	<u>-557713</u>	<u>-569664</u>
	Funded by		
537300	General Rates & Investment Income	529432	537664
41724	Depreciation Funds	28281	32000
<u>579024</u>	Total Funding	<u>557713</u>	<u>569664</u>

Emergency Management

Background

Under the Civil Defence and Emergency Management Act 2002 the Regional Council is the administering authority for the West Coast Civil Defence Emergency Management Group (CDEM). The functions of the CDEM Group include the co-ordination of civil defence emergency management planning, programmes and activities across the region, carrying out risk management, monitoring and reviewing the civil defence emergency management group plan, and delivering emergency management at the group level.

The Co-ordinating Executive Group (CEG) oversees implementation of the Plan and the CDEM Group's directives. The Regional Council provides a Group Emergency Operations Centre (EOC) which must be maintained in a state of readiness at all times.

Under the Maritime Transport Act 1994 the Regional Council is responsible for responding to marine oil spills within the territorial waters of the West Coast. This Act requires Council to undertake certain activities regarding training and equipment maintenance.

Staff will respond to terrestrial hazardous substance spills and assist the responsible party to clean up spills in order to minimise environmental impacts.

Performance Targets	Achievements/Progress
1. Provide administrative support to the CDEM Group & its Co-ordinating Executive Group (CEG) as per clauses 4.4 and 4.5 of the CDEM Plan 2005.	Achieved - CEG meetings held 30th November 2006 and 24 May 2007.
2. Participate in reviewing the CDEM Plan, which is due to be fully reviewed by April 2010, or earlier if deemed necessary by the CDEM Group.	Achieved - Group Welfare Plan developed and reviewed January 2007, the Group Recovery Plan has been drafted but not yet approved. These will replace sections of the CDEM Group Plan.
3. Assist with preparation, completion, implementation, and annual review, within agreed timeframes, of the following: <ul style="list-style-type: none"> • CDEM Group Recovery and Welfare Plan. • Communications Standard Operating Procedures. • West Coast Engineering Lifelines projects. • Group Warning Systems Standard Operating Procedures. • Training Needs 	Achieved as follows: <p>Group Recovery Plan drafted and going through review with stakeholders. Welfare Plan completed January 2006, reviewed January 2007.</p> <p>To be updated and is being done in conjunction with a Communications protocol being developed to assist organisational communications during events.</p> <p>Councils and Utility providers have adopted recommendations. Progress followed up at biannual meetings.</p> <p>Was adopted at 30 November 2006 CEG meeting. To be reviewed November 2007.</p> <p>Training programme was approved at 30 November CEG meeting. Training session 1 (CIMS2) was held on 27 March with full WCRC staff attendance. Training session 2 (EOC training) was held 29 May 2007.</p>

<p>4. Prepare and organise the distribution of public information linked to the development and release of the national public information programme.</p>	<p>Achieved - pamphlet mail out 'Get Ready Get Thru' to all households completed February 2007 in Messenger.</p>
<p>5. Assist with facilitating, securing funding where possible for, and initiating high priority research work as directed by priorities in the CDEM Group Plan.</p>	<p>Achieved - a request was made to Ministry of Civil Defence and Emergency Management regarding a request for Ministry funded staff assistance dedicated to the West Coast of at least 0.5 FTE.</p> <p>Further assistance may be provided during Exercise Pandora with additional CDEM staff brought into District Councils EOC's.</p>
<p>6. Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Emergency Operation Centre Activation Plan and Group Controllers Guide.</p>	<p>Achieved - Headquarters maintained in a ready state. Training programme for all staff in 2007 will involve this room being set up and tested especially in Exercise Pandora in September 2007.</p>
<p>7. Maintain a warning system capable of receiving and transmitting information and instructions to all levels of control at all times.</p>	<p>Achieved - HF and VHF radio links are maintained with the three districts and MCDEM (Christchurch). Testing undertaken weekly (Thursdays).</p>
<p>8. Review the West Coast Group Emergency Operation Centre Activation Plan and Group Controllers Guide.</p>	<p>Achieved - Updated processes, within new warning systems at CEG meeting 30 November. Further review of documents is being undertaken for Exercise Pandora.</p>
<p>9. To respond to all four national warning tests within 1 hour.</p>	<p>Achieved - received and actioned national after hours warning tests within timeframe required.</p>
<p>10. Appropriate personnel will participate in annual training in their Civil Defence roles.</p>	<p>Achieved - Two training sessions held on 27 March and 29 May with full WCRC staff attendance.</p>

<p align="center">Performance Targets Marine Oil Spill Response</p>	<p align="center">Achievements/Progress</p>
<p>1. Maintain a minimum pool of 25 qualified and trained personnel at all times to cope with maritime oil spills, including training in issues relating to wildlife in the region.</p> <p>2. Organise for West Coast personnel to attend one practical and one desktop training exercise per annum.</p> <p>3. Ensure response equipment is maintained to a level ready to respond to a Tier 2 response, and report quarterly to Maritime NZ on equipment checks.</p> <p>4. To evaluate the spill and alert response personnel within 1 hour.</p> <p>5. To mobilise equipment and personnel and commence the clean up within 2 hours.</p>	<p>Achieved. The total number of qualified and trained personnel by the end of the year was 26. It is planned to increase this to around 30 over time. A new Regional On Scene Commander was appointed in May 2007.</p> <p>Achieved. The practical exercise was held in Greymouth in May 2007 and personnel were involved in a inter-regional desktop exercise in Nelson in February 2007.</p> <p>Achieved. Vector Control Services is contracted to store and assist in the maintenance of MNZ equipment and the Compliance Team Leader undertakes quarterly inspections of the equipment.</p> <p>Achieved in relation to the single marine spill that occurred in the reporting period (Challenger II sinking).</p> <p>Achieved. Personnel organised and equipment mobilised within 2 hours to respond to the Challenger II sinking.</p>
<p align="center">Performance Targets Terrestrial Hazardous Substance Spill Response</p>	<p align="center">Achievements/Progress</p>
<p>1. Maintain a team of staff trained to deal with terrestrial hazardous substance spills.</p> <p>2. Complete a Contingency and Procedures Plan for terrestrial hazardous substance spill response by June 2007.</p> <p>3. Regularly attend meetings of the West Coast Hazardous Substances Technical Liaison Committee and the West Coast Combined Emergency Services Co-ordinating Committee where these are relevant.</p>	<p>Achieved. Compliance staff trained to deal marine oil spills are also trained to deal with terrestrial hazardous substance spills</p> <p>Achieved, but ongoing. The plan is a “living document” and is updated as new information is received.</p> <p>Achieved. Compliance staff attended these meetings when held.</p>

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Emergency Management		
	<u>Operating Expenditure</u>		
33785	Civil Defence Response	75549	56597
55778	EM Plan Implementation	24601	28138
31432	Floodwarning	14094	0
63133	Oil Spill capability	52438	16953
63254	Natural Hazards	26630	28484
<u>247382</u>	Total Operating Expenditure	<u>193312</u>	<u>130172</u>
	<u>Operating Revenue</u>		
57561	User Charges	48299	17000
1853	Subsidies	1632	2000
25283	Targeted Rates	25336	25000
<u>84697</u>		<u>75267</u>	<u>44000</u>
	Funding Requirements		
-162685	Operating Surplus / -Deficit to be funded	-118045	-86172
-34590	Capital Expenditure	-10096	-7000
<u>-197275</u>	Total Funding Required	<u>-128141</u>	<u>-93172</u>
	Funded by		
162685	General Rates & Investment Income	118045	86172
34590	Depreciation Funds	10096	7000
<u>197275</u>	Total Funding	<u>128141</u>	<u>93172</u>

River, Drainage and Coastal Protection Works

Background

Council is authorised under the Soil Conservation and Rivers Control Act 1941 to mitigate soil erosion, and prevent damage by floods. Council manages protection works for 19 Rating Districts throughout the Region, participates on the Joint Greymouth Floodwall Committee, and rates for structural maintenance of the Floodwall. Council manages 10 quarries to provide rock for protection works, and owns a quarry truck, compressor and drilling rig, to ensure capacity on the West Coast for winning rock for river and coastal protection works. Handling enquiries and providing engineering advice on flood and erosion control is carried out in response to ratepayer demand, and is charged for on a users pays basis where anything other than minor amounts of staff time is taken.

River cross-section studies and aerial photography of some riverbeds and coastal areas are carried out to monitor gravel build-up and changing patterns in river systems. This information helps to identify what, if any, maintenance or additional protection is needed. The cross section studies and aerial photography are also carried out on other larger rivers and coastal areas that are prone to build-up and increased risk of flooding or erosion. This information helps to identify gravel volumes and determine if new protection works might be needed.

Performance Targets	Achievements/Progress
1. Hold annual meetings with Rating District Committees to report financial and maintenance issues.	Achieved – all 22 Rating District Meetings were held in October.
2. Organise annual maintenance of the 20 rating district infrastructural assets to the service level consistent with the Asset Management Plan of each Rating District.	Achieved - all maintenance contracted as required and as set out in the annual works programme. The service level in the Asset Management Plans may need to be amended for some schemes.
3. Participate in the Greymouth Floodwall Committee, and complete the upgrade of the floodwall, once resource consents are granted.	Partially Achieved - committee met in October. Four submissions opposed to the resource consent application. Pre-hearing meetings were held and three parties no longer wish to be heard. We expect to resolve matters with the 4th submitter.
4. Continue to assist with organising and securing infrastructure loans for major capital works when required.	No schemes currently likely to proceed due to lack of community support.
5. Finalise quarry management plans for each quarry by March 2007.	Not achieved – the plans have since been received from the consultant and finalised.
6. Oversee implementation of the quarry management plans, and review plans within five years of completion.	Achieved – the management plans are being implemented as quarries require blasting.
7. Review quarry contracts in 2006/07, including provision of decorative rock from quarries.	Achieved - River rock, rubble and decorative rock prices were reviewed and revised in August 2006.
8. Obtain rock from 10 quarries to facilitate river protection works within two weeks of requesting it, and at a cost in line with the relative operating cost of each quarry without subsidisation from general rates, until the quarry contracts are reviewed.	Achieved - all rock requests responded to within timeframe.

<p>9. Organise annual aerial photography of major rivers and other areas of interest within budget, and maintain records.</p>	<p>Achieved – completed as required.</p>
<p>10. Continue to carry out river cross section studies on the following rivers in order of priority, as funds are available:</p> <ol style="list-style-type: none"> 1. Taramakau at Inchbonnie 2. Karamea 3. Taramakau at Taramakau settlement 4. Waitangitaona 5. Hokitika River at Kowhitirangi 6. Wanganui 7. Grey River at Coal Creek 8. Waiho (Canavan's Knob) 9. Vine Creek 	<p>Achieved – the only outstanding river is the Waiho as this survey is undertaken by Transit. We are waiting for their contractor to supply us with the information.</p>

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	River, Drainage & Coastal Protection		
	<u>Operating Expenditure</u>		
471336	Works Within Rating Districts	615933	1465148
145871	Rating District Management	116769	66975
1179	Asset Mgmt Plans	14682	15595
0	Private Party Works	0	0
36412	Free Inspections	347	19167
55920	Technical Services	88895	64487
0	Gravel Permit Administration	0	36019
240061	Quarries	179264	217385
48639	River Cross Sections	37812	84727
<u>999418</u>	<u>Total Operating Expenditure</u>	<u>1053702</u>	<u>1969503</u>
	<u>Operating Revenue</u>		
123062	User Charges Rating Districts	301947	149000
196891	User Charges Quarries	143356	250750
29066	User Charges Other	28196	20000
0	Subsidies	0	0
485654	Targeted Rates	485994	482244
<u>834673</u>	<u>Total Operating Revenue</u>	<u>959493</u>	<u>901994</u>
	<u>Funding Requirements</u>		
-164745	Operating Surplus / -Deficit to be funded	-94209	-1067509
-449839	Capital Expenditure	-16303	-18000
-128933	Transfers to Rating District Reserves	-172008	0
0	Transfers to Quarry Account Reserves	0	-33365
<u>-743517</u>	<u>Total Funding Required</u>	<u>-282520</u>	<u>-1118874</u>
	<u>Funded by</u>		
365000	Loan Raised	0	0
73992	Transfers from Rating District Reserves	0	833904
43170	Transfers from Quarry Account Reserves	35908	0
2400	Depreciation Funds	16303	18000
258955	General Rates & Investment Income	230309	266970
<u>743517</u>	<u>Total Funding</u>	<u>282520</u>	<u>1118874</u>

Vector Management

Background

The Animal Health Board (AHB) is the management agency under the Biosecurity (National Bovine Tuberculosis Pest Management) Order 1998 responsible for the implementation of the National Bovine Tuberculosis Pest Management Strategy (NPM Strategy).

The AHB and the West Coast Regional Council have a contract for the Council to provide vector management services and implement aerial vector control activities within the Region. The key vector targeted is the possum as this is the main cause of transmission of Tb to farm cattle and deer herds.

The Council also provides the regional funding percentage from rates for vector management services. Vector management fits well with Council’s sustainable management work in terms of having conservation and biosecurity benefits, protecting regional income and providing employment.

Performance Targets	Achievements/Progress
1. That 95% of the programme of works is completed each year and all targets set out in the programme of works are achieved.	Achieved: 99.01% of the Approved Programme had been completed by 30 June 2007. The programme primarily involved the control and monitoring of feral vectors, particularly possums, over 405,000ha of the Coast.
2. The Contracting Plan, Capacity Plan, Communications Plan and Community Interests Plan are submitted to AHB by the received deadline each year.	Achieved: Plans were submitted by March 1 deadline.
3. All Vector Control contracts are awarded in accordance with the Contracting Plan.	Achieved.
4. That there are no more than 3 complaints in any contract year alleging insufficient communication regarding Vector Control operations.	Achieved: Two complaints regarding insufficient communication.
5. That the residual trap catch index (rtci) targets ranging between 2% - 3% and “numbers of possums per line” (ppl) ranging between 1 and 3 will be met. (These targets will be as per the AHB requirements for each control contract.)	Achieved: 244 performance targets were reported during the year. Five results did not achieve the required target, and were derogated with approval from the AHB

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Vector Management		
	<u>Operating Expenditure</u>		
6943292	Programme	8252421	9065635
1034984	Vector Mgmt Admin	984932	934365
<hr/>		<hr/>	<hr/>
7978276	Total Operating Expenditure	9237353	10000000
	<u>Operating Revenues</u>		
6927964	User Charges Vector Control Programme	8268837	9065635
940000	User Charges Vector Management	1100000	1100000
0	Targeted Rates	0	0
<hr/>		<hr/>	<hr/>
7867964	Total Operating Revenues	9368837	10165635
	<u>Funding Requirements</u>		
-110312	Operating Surplus / -Deficit to be funded	131484	165635
0	Transfer to Tb Special Rate balance	0	0
-1778	Capital Expenditure	-29237	-5000
<hr/>		<hr/>	<hr/>
-112090	Total Funding Required	102247	160635
	<u>Funded by</u>		
0	Transfer from Tb Special Rate balance		
1778	Depreciation Funds	29237	5000
110312	General Rates & Investment Income	-131484	-165635
<hr/>		<hr/>	<hr/>
112090		-102247	-160635

Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007	Actual 2006/07	Budget 2006/07
	Regional Share of Vector Controls		
	<u>Operating Expenditure</u>		
546473	Regional % Share of Controls	679334	832042
<u>546473</u>	Total Operating Expenditure	<u>679334</u>	<u>832042</u>
	<u>Operating Revenues</u>		
	User Charges		
	Subsidies		
579135	Targeted Rates	574886	563250
<u>579135</u>	Total Operating Revenues	<u>574886</u>	<u>563250</u>
	Funding Requirements		
32662	Operating Surplus / -Deficit to be funded	-104448	-268792
-169280	Transfer to Tb Special Rate balance	-58278	0
<u>0</u>	Capital Expenditure	<u>0</u>	<u>0</u>
<u>-136618</u>	Total Funding Required	<u>-162726</u>	<u>-268792</u>
	Funded by		
0	Transfer from Tb Special Rate balance	0	81042
0	Retained Earnings	0	0
136618	General Rates & Investment Income	162726	187750
<u>136618</u>		<u>162726</u>	<u>268792</u>

Vector Control Services Business Unit

Background

Vector Control Services (VCS) enables some of the service delivery requirements for Animal Health Board possum control contracts to be met.

Operating as a business unit will enable service delivery functions of the Council such as vector (possum) control, pest plant and pollution control operations to be carried out efficiently and effectively in accordance with sound business practices. This is consistent with the principles of the Local Government Act 2002.

Upskilling the staff of the VCS business unit will ensure suitably trained staff and equipment is available at short notice for urgent or emergency work.

From July 2007, VCS will be competing on the open market for possum control work. VCS has the capability to compete for any other contract work, as appropriate, to maintain a profitable business and return a reasonable dividend to the Council.

Performance Targets	Achievements/Progress
1. Meet the performance objectives set by Vector Management staff for vector control contracts, and aerial support operations.	<p>Achieved: VCS stores bulk bait for VM to the required standard.</p> <p>VCS has successfully completed five contracts for Vector Management (VM) and assisted VM with the Barrytown aerial pre-feed.</p> <p>Some performance issues arose with one contract. These have now been addressed by management so that they do not recur.</p>
2. Keep sufficient pest plant work records to assist the review of the Pest Plant Management Strategy.	<p>Achieved. Pest Plant records are all up to date and have been entered into the Councils' bio-security database.</p>
3. Supply staff and associated equipment as a response unit to marine and terrestrial pollution spill events as per the MOU between the Council's Compliance section, Maritime New Zealand (MNZ) and Vector Control Services dated 11 November 2005.	<p>Achieved. VCS supplied staff and equipment MNZ oil spill exercise held in Greymouth Lagoon.</p> <p>VCS was instrumental in the providing of logistical support for this event.</p>
4. Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.	<p>Achieved: VCS has stored and maintained the MNZ's oil spill response equipment to the standard required. MSA has inspected the site and has made positive comments on the storage facilities maintained by VCS.</p>
5. Operate the Unit on a fully competitive basis by July 2007 and provide an appropriate return to the Regional Council.	<p>Achieved: VCS is operating on a fully competitive basis and openly competing for work with other contracting agencies over a range of activities.</p>
6. Operate in accordance with Quality Assurance and Health and Safety Plans and safety procedures.	<p>Achieved. VCS is operating in accordance within its Quality Assurance and Health and Safety in Employment documentation and safety procedures and it is always looking to improve its processes.</p>

<p>7. Develop new business areas, complementary to existing roles.</p>	<p>VCS is now involved in asset maintenance, track cutting, forestry, bio-security, bulk storage and research work.</p>
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Actual 2005/06	Cost of Services Statement for the year ended 30 June 2007 Vector Control services Business Unit	Actual 2006/07	Budget 2006/07
	<u>Operating Expenditure</u>		
74685	External expenditure	46579	17987
<u>882980</u>	Internal expenditure	<u>842907</u>	<u>642000</u>
<u>957665</u>	Total Operating Expenditure	<u>889486</u>	<u>659987</u>
	<u>Operating Revenues</u>		
37750	External Revenue	161489	133000
<u>882980</u>	Internal Revenue	<u>842907</u>	<u>642000</u>
<u>920730</u>	Total Operating Revenues	<u>1004396</u>	<u>775000</u>
	Funding Requirements		
-36935	Operating Surplus / -Deficit to be funded	114910	115013
0	Transfer to Retained earnings	-114910	-115013
0	Capital Expenditure	-1573	0
<u>-36935</u>	Total Funding required	<u>-1573</u>	<u>0</u>
	Funded by		
36935	General Rates & Investment Income	0	0
0	Depreciation Funds	1573	0
0	Transfer from Retained earnings	0	0
<u>36935</u>	Total Funding	<u>1573</u>	<u>0</u>

Major Budget Variations

Explanation of Major Budget Variances

	Actual	Budget	Variance
<p>1 Expenditure Consents and Compliance</p> <p>Operating expenditure was over budget by \$131635 but this was matched by operating revenue also exceeding budget.</p> <p>Total expenditure is influenced by the number and scale of resource consent applications received, which is very difficult to accurately budget for.</p>	1620108	1488473	131635
<p>2 Emergency Management</p> <p>Operating expenditure was over budget mainly due to more staff time charged to this cost centre due to exercises involving all Council staff. There were also unanticipated floodwarning event costs.</p> <p>Marine oil spill response expenditure was higher than budgeted but so were revenue recoveries.</p>	193312	130172	63140
<p>3 River, Drainage & Coastal Protection</p> <p>Operating expenditure was under budget due to Greymouth floodwall upgrade budgeted at \$750000 not now scheduled till 2007/08 year.</p>	1053702	1969503	-915801
<p>4 Vector Management</p> <p>Operating expenditure was below budget by \$762,000 as budgeted amount of \$10 million was more than final approved AHB programme.</p>	9237353	10000000	-762647
<p>5 Regional Share of Controls</p> <p>Operating expenditure below budget in line with total programme less than budgeted.</p>	679334	832042	-152708
<p>6 VCS Business Unit</p> <p>Both operating expenditure and revenue were higher than budgeted. Actual surplus very close to budgeted amount.</p>	889486	659987	229499
<p>7 Revenue Consents and Compliance</p> <p>Refer comments in 1 above.</p>	893526	743250	150276
<p>8 Planning Processes</p> <p>Operating revenue higher than budgeted due to unbudgeted MFE subsidy for Waste minimisation project.</p>	237785	148750	89035
<p>9 Emergency Management</p> <p>Refer comments in 2 above regarding marine oil spill response revenue recoveries.</p>	75267	44000	31267
<p>10 Vector Management</p> <p>Refer comments in 4 above.</p>	9368837	10165635	-798798
<p>11 VCS Business Unit</p> <p>Refer comments in 6 above.</p>	1004396	775000	229396